

SOCIETY FOR THE PREVENTION OF WORLD WAR III, Inc.

A Non-Profit Educational Organization

515 MADISON AVENUE • NEW YORK 22, N. Y.
SUITE 825 PLAZA 3-4988, 5522

Executive Registry

11-8207

September 8, 1959

Dear Sir:

It has been reported in the press that the World Bank is planning to grant a loan to Egypt for the purpose of widening and deepening the Suez Canal. That the World Bank should contemplate this loan despite Egypt's brazen violation of U.N. resolutions on the management and operation of the Canal, must shock all security minded Americans.

If Egypt treated the Canal as an international waterway, as it is under international law, a loan to improve it could be beneficial to users.

The confiscation of Israeli cargoes is but one example of how Egypt disregards international law. Another case is Egypt's recent arbitrary confiscation of mail carried by neutral ships through the Canal.

Certainly the U.S., which is opposed to international lawlessness in other parts of the world, such as Communist aggression in Laos, should not permit Egypt's hardly disguised aggression to go unchallenged.

The idea that the Nasser regime is only aiming its attack on Israel does not correspond to the facts. All one needs to do is to read the abusive insults against the U.S. and its leaders in the Nasser controlled press and by the Cairo radio to see that Egypt's real target overshadows her unlawful belligerent policies toward Israel.

In our letter to Secretary Herter, attached herewith, the Society stressed that international law, like international peace, is indivisible. Furthermore, it is precisely the kind of illegal action perpetrated by Egypt which breeds distrust and tension and provokes armed conflicts.

In view of the important voice that U.S. has in World Bank affairs, we urge that the U.S. Senate call upon our government to request that the World Bank withhold this loan to Egypt until she gives concrete assurances that under no circumstances will the cargoes of any nation be prevented from passing through the Canal in the future.

As we wrote Secretary Herter "Unless the State Department takes such forthright action it will have, in effect, willy-nilly, permitted itself to become a party to the Egyptian illegal policy at Suez which conduces to defiance of international law and threatens the peace of the Middle East."

SOCIETY FOR THE PREVENTION OF WORLD WAR III, Inc.

Albert Simard, Secretary
For the Board of Directors

BOARD OF DIRECTORS

MARK VAN DOREN
Hon. Chairman
REX STOUT
Vice President
DR. ALBERT SIMARD
Secretary
ISIDORE LIPSCHUTZ
Treasurer
REV. HENRY A. ATKINSON
THOMAS CRAVEN
JULIUS L. GOLDSTEIN
WILLIAM HARLAN HALE
EMIL LENGYEL
WILLIAM J. LUYTEN
ERIC MANN
CHAT PATERSON
HARRY LOUIS SELDEN
JAMES H. SHELDON
WILLIAM L. SHIRER
PIERRE VAN PAASSEN
MAJ. M. WHEELER-NICHOLSON
MRS. BELLE MAYER ZECK

ADVISORY COUNCIL

GEORGE BACKER
KONRAD BERCOVICI
REV. ROELIF H. BROOKS
STUART CLOETE
MORRIS L. COOKE
RICHARD DE ROCHEMONT
WALTER D. EDMONDS
LIONEL GELBER
MARY B. GILSON
SHELDON GLUECK
ALBERT GUERARD
BEN HECHT
JOHN R. INMAN
FRANK E. KARELSEN, JR.
CHRISTOPHER LA FARGE
HAL LEHRMAN
MAJ. ERWIN LESSNER
MRS. DAVID ELLIS LIT
CLARENCE H. LOW
MRS. HAROLD V. MILLIGAN
HERBERT MOORE
LEWIS MUMFORD
ADELE NATHAN
LOUIS NIZER
QUENTIN REYNOLDS
LISA SERGIO
G. E. SHIPLER
CHARLES POWERS SMITH
MRS. HJORDIS SWENSON
R. J. THOMAS
FRITZ VON UNRUH

CHICAGO

COURTENAY BARBER, JR.
MRS. ROBERT BIGGERT
J. J. ZMRHAL

LOS ANGELES

F. E. BROOKMAN
MAJ. JULIUS HOCHFELDER

SAN FRANCISCO

VERNON E. HENDERSHOT
ALBERT RAPPAPORT
SIDNEY ROGER

ST. LOUIS

J. LIONBERGER DAVIS

DOCUMENT NO. *40*

NO CHANGE IN CLASS. *X*

DECLASSIFIED

CLASS. CHANGED TO: TS S C

NEXT REVIEW DATE:

AUTH: HR 70-2

STATE 6291 REVIEWER: *5*

(EXECUTIVE REGISTRY FILE) *5*

SOCIETY FOR THE PREVENTION OF WORLD WAR III, Inc.

A Non-Profit Educational Organization

515 MADISON AVENUE • NEW YORK 22, N. Y.
SUITE 825 PLAZA 3-4985, 5522

September 3rd, 1959

Hon. Christian A. Herter
Secretary of State
Department of State
Washington, D.C.

BOARD OF DIRECTORS

MARK VAN DOREN
Hon. Chairman

REX STOUT
Vice President

DR. ALBERT SIMARD
Secretary

ISIDORE LIPSHUTZ
Treasurer

REV. HENRY A. ATKINSON
THOMAS CRAVEN

HAL L. GOLDSTEIN

WILLIAM HARLAN HALE

EMIL LENGYEL

WILLIAM J. LUYTEN

ERIC MANN

CHAT PATERSON

HARRY LOUIS SELDEN

JAMES H. SHELDON

WILLIAM L. SHIRER

PIERRE VAN PAASSEN

MAJ. M. WHEELER-NICHOLSON

MRS. BELLE MAYER ZECK

ADVISORY COUNCIL

GEORGE SACKER

KONRAD SERCOVICI

REV. ROELIF H. BROOKS

STUART CLOOTE

MORRIS L. COOKE

RICHARD DE ROCHEMONT

WALTER D. EDMONDS

LIONEL GELBER

MARY S. GILSON

SHELDON GLUECK

ALBERT GUERARD

SEN HECHT

JOHN R. INMAN

FRANK E. KARELSEN, JR.

CHRISTOPHER LA FARGE

HAL LEHRMAN

MAJ. ERWIN LESSNER

MRS. DAVID ELLIS LIT

CLARENCE H. LOW

MRS. HAROLD V. MILLIGAN

HERBERT MOORE

LEWIS MUMFORD

ADELE NATHAN

LOUIS NIZER

QUENTIN REYNOLDS

LISA SERGIO

G. E. SHIPLER

CHARL POWERS SMITH

MRS. HJORDIS SWENSON

R. J. THOMAS

FRITZ VON UNRUH

CHICAGO

COURTENAY BARBER, JR.

MRS. ROBERT BIGGERT

J. J. ZMRHAL

LOS ANGELES

F. E. BROOKMAN

MAJ. JULIUS HOCHFELDER

SAN FRANCISCO

VERNON E. HENDERSHOT

ALBERT RAPPAPORT

SIDNEY ROGER

ST. LOUIS

J. LIONBERGER DAVIS

Dear Secretary Herter:

According to recent press reports it appears that the World Bank is contemplating the granting of a loan to the United Arab Republic to widen and deepen the Suez Canal. "Bank officials are conferring with the Egyptian government now. Reports from Cairo say the deal may be closed during or shortly after the World Bank's annual meeting here starting September 28th" (Wall Street Journal, 8/24/59).

Fundamentally, the Society's interest in this matter does not stem from any preconceived attitude or bias. As a non-profit educational organization, the Society has devoted all of its educational work to international problems bearing on the peace and security of the United States and of the world. This is made clear in our Constitution which specifically states that the Society was founded

... "To observe and examine changing conditions in world politics and economics and possible causes which might lead to a third war;

"To announce and publish its findings, conclusions and opinions, and to disseminate information which will enlighten the public as to the conditions causing war which many statesmen, historians and military experts have failed to recognize as practical obstacles to peace and the preservation of our civilization."

The above statement of purpose is the Society's point of departure for evaluating World Bank plans to lend Egypt funds for the improvement of the Suez Canal. In itself, such a loan could benefit all nations using the facilities of the Canal. Unfortunately, however, Egypt refuses to "insulate" the management and operation of the Suez from its own political policies. This, you will recall, was advocated by the late Secretary of State John Foster Dulles when the Suez crisis broke out following Nasser's unilateral seizure of the Canal.

Hon. Christian A. Herter

-2-

September 3, 1959

The most recent example of Egypt's determination to burden the operation of the Suez Canal with politics is the refusal to permit Israeli cargoes access through the Canal. As far as the Society is concerned the Israeli case is only incidental to the much graver issues raised by Egypt's action. The Egyptian government has defied and violated the provisions of the Convention of Constantinople of 1888 which laid down the basic policies on the operation of the Canal. The Convention made it clear that the right of passage through the Canal should be granted to all nations "without distinction of flag" in time of war as well as in time of peace.

In October 1956, the U.N. Security Council adopted six principles which oppose any kind of discrimination of shipping through the Canal and emphasize "that operation of the Canal should be insulated from the politics of any country." The six principles adopted by the Security Council were designed to protect all nations, large and small. These principles are part and parcel of the basic concepts of international law which deny the right of one nation or combination of nations to block international waterways in furtherance of their own specific political objectives. The experience of history tells us that violations of this character breed tensions, distrust and sow the seeds of armed conflicts. It is precisely because the Egyptian action has the potential to endanger the peace in the Middle East that the Society addresses this letter to you.

In this connection, we have read press reports to the effect that the State Department is not opposed to the granting of a World Bank loan because the issues involved are purely "technical." While we have no way of knowing whether this is the authoritative position of the State Department, the Society must emphatically state that the World Bank loan to Egypt is not purely "technical." Indeed, the technical aspects have been subordinated by the Egyptian government itself which has made no secret of its intention to employ the Canal as an instrument of its own particular policies.

In the case of Israel, for example, the denial of passage is not only "justified" on the grounds that Egypt persists on pursuing a policy of war towards that country, but, in the words of the authoritative Egyptian newspaper Al Jumhuriyah, it is also aimed at thwarting Israel's "insistence on free passage because it (Israel) wants to increase its trade with the Afro-Asian countries and develop its economy." It is, therefore, not mere rhetoric when the Cairo Radio (6/1/59) declared "The Suez is an Arab Canal."

From the foregoing it is clear beyond doubt that the Egyptian position with respect to passage through the Canal is guided primarily by political considerations. Under these circumstances the State Department cannot ignore the challenge which strikes at the very fabric of international law and the rights of all nations, regardless of size and strength. If Israeli shipping can be subject to this arbitrary blockade, who can tell when other states, including our own country, will be victimized? The Society has always maintained that there is no such thing as "a little lawlessness." International law, like international peace is indivisible. Let it be broken in one place and the whole structure will ultimately crumble and the ensuing flood will threaten to engulf those who regard themselves as mere onlookers.

Hon. Christian A. Herter

-3-

September 3, 1959

The Egyptian position cannot be squared with the principles of the United Nations Charter. Nor can Egypt's defiance be ignored without the authority and dignity of the United Nations suffering damage. Consequently, it is the Society's considered judgment that the State Department should do all in its power to remedy this situation before it gets out of hand.

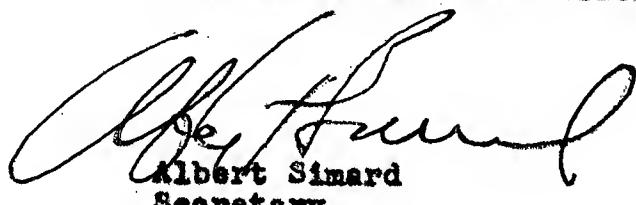
The World Bank loan should not be granted before the political crisis caused exclusively by Egypt's actions, is resolved in accordance with international law and the resolutions of the United Nations. While we are aware that the World Bank is an independent institution, it is common knowledge that the United States Government has a decisive voice in its affairs. Therefore, the State Department should advise the World Bank of its concern over the fact that the Egyptian Government permits its political policies to govern the management and operation of the Suez Canal.

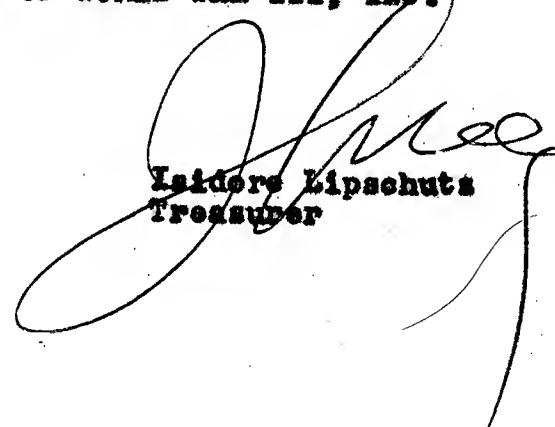
Our State Department should further advise the World Bank that in view of these facts the loan to the Egyptian government should be withheld until Egypt gives concrete assurance that under no circumstances will the cargoes of any nation be prevented from passing through the Canal in the future. This would be in keeping with the spirit of President Eisenhower's views on the Suez problems, as stated in his address to the American people on February 20, 1957: "... We should not assume that, if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Akaba. If, unhappily, Egypt does hereafter violate the Armistice Agreement or other international obligations, then this should be dealt with firmly by the society of nations."

Unless the State Department takes such forthright action it will have, in effect, willy-nilly, permitted itself to become a party to the Egyptian illegal policy at Suez which conduces to defiance of international law and threatens the peace of the Middle East.

Very sincerely yours,

SOCIETY FOR THE PREVENTION OF WORLD WAR III, INC.


Albert Simard
Secretary


Isidor Lipschutz
Treasurer

FW

RECEIVED
FBI - NEW YORK
SEP 3 1959

UNCLASSIFIED	CONFIDENTIAL	SECRET
--------------	--------------	--------

CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	INITIALS	DATE
1	D Chief, NE Division		23 SEP 1959
2	Cne		25 SEP 1959
3	ILLEGIB		
4			
5			
6	ER		26 SEP 1959
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	<input checked="" type="checkbox"/> INFORMATION	SIGNATURE	

Remarks:

For information.

for file

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.

DATE

, Asst. to the DCI

9/23/59